'Partnership Projects for Sustainable Local Development – Carbon Offsetting'

After the launch in 2015 the Service Agency will be awarding special funds for projects to offset greenhouse gas emissions in 2016 again. This is designed to offset the greenhouse gas emissions caused by project-related air travel during the first three phases of the Service Agency project '50 Municipal Climate Partnerships by 2015'. For this purpose the Partnership Projects for Sustainable Local Development (Nakopa) funding programme is able to make available special funds of EUR 40,000 in 2016 to support between one and two projects in the field of climate change mitigation.

Engagement Global gGmbH / the Service Agency Communities in One World will be glad to advise interested municipalities and applicants, and the subsequent project executing agencies.

The call for proposals is subject to the availability of budget funds.

Guidelines for submitting an application

The guidelines below are based on the usual requirements of the Nakopa funding programme, and also include separate criteria for offsetting projects.

When planning and implementing an offsetting project, please therefore observe the following guidelines:

1. Basic principles

- Applications may be submitted only by municipalities that are taking part or have taken part in the Service Agency project '50 Municipal Climate Partnerships by 2015'.
- The project for which support is being applied for must be planned and implemented jointly and on a peer-to-peer basis within the context of the municipal climate partnership.
- Generally speaking, associations of several German municipalities and their partner
 municipalities are possible. In such cases <u>one</u> German municipality will act as the applicant
 and contact point for the project. The other municipalities will support the project as
 cooperating partners.
- If local initiatives and community associations play an important role in maintaining the
 municipal partnership, and make an appropriate contribution to the partnership project for
 which support is being applied for, funds equivalent to up to 1/3 of the amount of support
 may be transferred to these initiatives/associations. Appropriate arrangements for this must
 be stipulated in a private law contract. Exceptions to this may be made in warranted cases.
- Only projects with a clearly defined project objective that can be achieved within the given financial framework and time frame will be supported. Results-based monitoring must be possible.
- The sustainability of the project, and in particular the sustainability of the offsetting effect, beyond the period of support must be guaranteed.

2. Project themes and content

- The project must focus on mitigating climate change, and cover one of the following subthemes: renewable energy, energy efficiency, afforestation (including agroforestry systems).
- The project must make a contribution toward socially, economically and ecologically sustainable development in the partner municipality.
- The project objective must include a quantified and verifiable offsetting effect. Greenhouse gas emissions caused by the project activities themselves must also be offset (net offsetting effect).
- Studies are not eligible for support.
- Expenditure on infrastructural investment may be combined with measures for capacity development, in accordance with needs.
- Proof must be provided that the project could not be implemented without the financial support, and in particular that the offsetting effect relative to the reference scenario on which the project rationale is based could not be achieved (criterion of additionality).
- When monitoring the offsetting effect an external monitoring input must be guaranteed. This
 should be provided by actors who are not directly involved in implementing the project and
 who possess the necessary expertise.
- The project must incorporate the goal of gender mainstreaming (equal inclusion of women and men), and be conflict-sensitive in design.
- The BMZ Strategy Papers relevant to the project for which support is being applied for must be complied with during project planning and implementation. This applies in particular to the papers listed below:
 - o Strategy Paper: Forest and Sustainable Development
 - Strategy Paper: Biological Diversity
 - Strategy Paper: Sustainable Energy for Development

All documents can be accessed at:

http://www.bmz.de/en/publications/type of publication/strategies/index.html.

3. Formal requirements

- The volume of project funding applied for should be between EUR 20,000 and EUR 40,000.
- Up to 90% of the costs of the project may be financed. At least 10% per cent of the expenditure must be covered by the municipality submitting the application through its own funds and/or third-party funds.
- Co-financing using funds of a (German federal) state is desirable; the financial regulations of the state concerned must then also be observed.
- Non-cash inputs provided by the municipality are not eligible as the municipality's own funds, and should be shown separately from the budget for information only.

- The funds must be used in the partner country.
- The projects must begin in 2016, and must not exceed a maximum of up to three years.
- For projects lasting several years, the application must clearly indicate which funds are being applied for which financial years. If no call for disbursement is made for the funds for a particular financial year, these funds will be forfeited. Funds cannot be carried over into subsequent financial years.
- An appropriate balance must be struck between investments for the measures to be implemented (e.g. including investments in human capital and know-how transfer), and current expenditure for the administration of the entire project. Projects for which chiefly current expenditure (including personnel costs) is to be financed, will not be supported. Project personnel costs and costs for fees are eligible for support, provided that they are proportionate to the total expenditure.
- Applications may also include a lump sum of up to 3.5% as reserves for inflation-related cost increases and unavoidable additional expenses, as well as a lump sum of up to 4% for administrative costs.
- Before Engagement Global / the Service Agency transfers the funds to the project executing agency, a project agreement must be concluded with the latter in the form of a civil law contract.
- Before transferring the funds to the project partner in the partner country, the German municipality executing the project must enter into a project agreement with the project partner in the form of a civil law contract, in order to guarantee compliance with the requirements contractually agreed with Engagement Global / the Service Agency.

Who to contact, and deadlines

You will find the application form on http://www.service-eine-

welt.de/co2_kompensation/co2_kompensation-start.html. When **submitting your application** please complete and return the form to us both by email and by surface mail. For fiscal 2016 applications must be submitted by no later than 31.05.2016. Engagement Global will examine the applications in the order in which they are received, and approve a project or projects that meet(s) the aforementioned criteria on a 'first come, first served' basis. Engagement Global will notify the municipalities eligible to apply as soon as the budget for 2016 is exhausted. There shall be no entitlement to support.

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